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ECONOMIC TRENDS

INTERNATIONAL EXPORTS FROM PRINCE EDWARD ISLAND

1. Introduction

In April of 1986, the Economics, Statistics and Fiscal Analysis Division released the publication "International Exports from Prince Edward Island" and this issue of Economic Trends describes the data contained in that report. The publication contains various statistics on the value of international exports from Prince Edward Island, disaggregated into three main groups:

1) international exports by commodity for the years 1969 to 1984,

2) international exports by country of destination for 1973 to 1984, and

3) international exports by commodity for the four major countries of destination: United States, Algeria, Venezuela and Trinidad and Tobago, for the years 1980 to 1984.

The export statistics are derived from monthly reports from Statistics Canada's External Trade Division. These reports are provided to the Government of Prince Edward Island as a special tabulation under a purchase agreement with the Prince Edward Island Development Agency. Export documents (bills of lading) collected by Canadian Customs are the basic source of information for these reports. During the period covered by this report (up to 1984) export statistics by province of lading indicated the province in which the goods were first laden aboard a carrier for export. In certain cases this may vary from the province of origin which represents the province in which the products were grown, extracted or manufactured. Products shipped to other provinces and subsequently loaded for export markets are not identified in the statistics. Thus all products identified as exported from Prince Edward Island in these statistics were not

necessarily produced on Prince Edward Island, and products from Prince Edward Island loaded for export in other provinces are similarly not identified. This would leave out of Prince Edward Island statistics the potato exports shipped via St. John, Halifax, etc.

The exports herein are classified according to the Canadian International Trade Classification manual. There are six main commodity categories: 1) Live Animals, 2) Food, Feed, Beverage and Tobacco, 3) Crude Materials (inedible), 4) Fabricated Materials (inedible), 5) End Products (inedible) and 6) Special Transactions and Trades.

This paper will investigate the available statistics in an attempt to provide insights into the importance of international exports to the Prince Edward Island economy. It should be noted that interprovincial exports are not discussed in this report and statistics on provincial trade are very limited.

2. Value of International Exports from Prince Edward Island

The total value of international exports from Prince Edward Island increased from $12.3 million in 1969 to $127.8 million in 1984. Diagram 1 graphically illustrates the ten fold growth which occurred over the fifteen year period.

Diagram 1

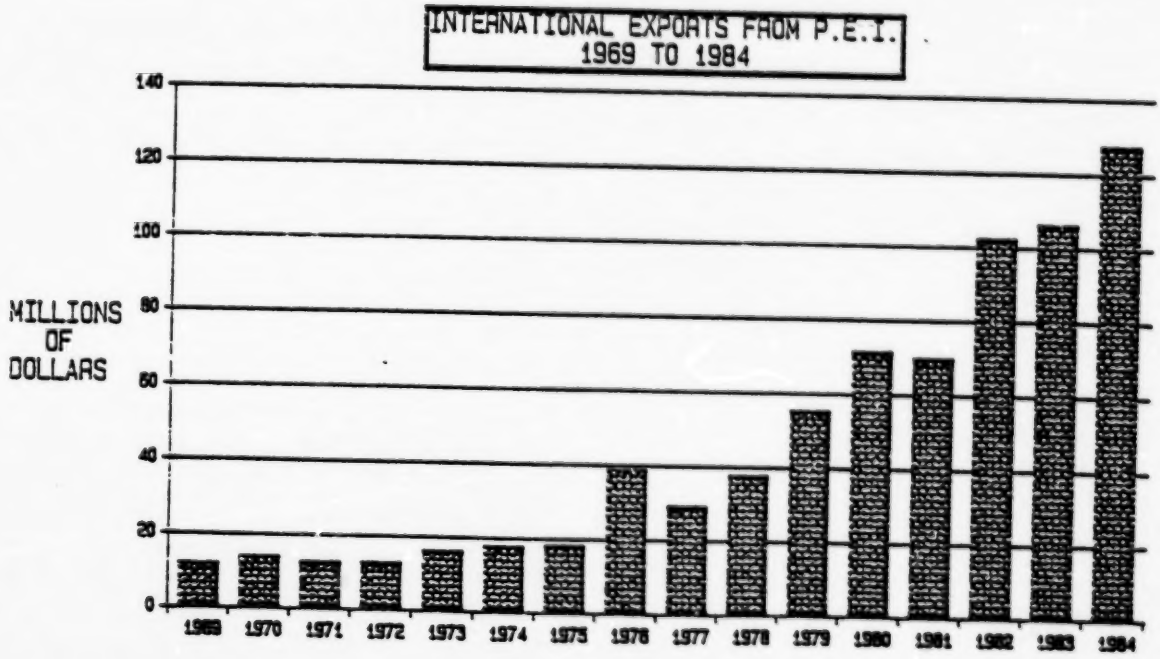


Table 1 compares Prince Edward Island's export growth to each of the other Canadian provinces as well as to the overall

Table 1

A PROVINCIAL COMPARISON OF THE

PERCENTAGE GROWTH OF INTERNATIONAL EXPORTS

1974-1984

Nfld.	N.S.	P.E.I.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Avg. Growth
60.8%	186.6%	658.8%	192.2%	227.0%	346.7%	216.1%	213.1%	159.3%	180.1%	244.1%

growth for the years 1974 to 1984. From this table one can see that Prince Edward Island's international exports have increased by 659 per cent over these years. This compares to the overall increase of 244 per cent. Ontario has the second highest provincial rate of growth in exports at 347 per cent, while Newfoundland had the dubious distinction of showing the least growth, 61 per cent.

Although Prince Edward Island enjoyed the highest rate of growth of international exports, this should be put in perspective as it has by far the smallest dollar value of exports. Prince Edward Island's international exports were valued at $128 million in 1984. The second smallest dollar volume of exports belonged to Newfoundland at $788 million. Ontario led all provinces with $53.4 billion of international exports. Table 2 displays the value of the provinces' international exports in 1984. Prince Edward Island's exports constitute 0.1 per cent of the provinces' total.

Table 2

VALUE OF INTGERNATIONAL EXPORTS BY PROVINCE

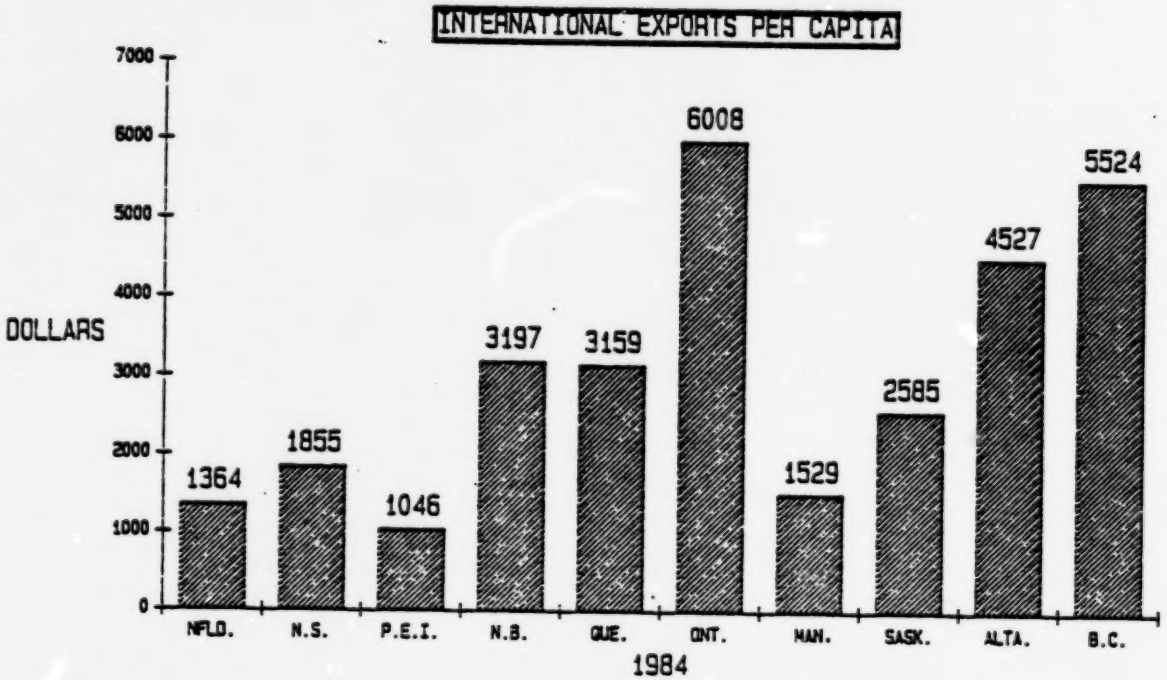
1984

	Exports	Distribution
Newfoundland	$ 787,845,000	0.7%
Nova Scotia	1,609,864,000	1.5%
Prince Edward Island	127,812,000	0.1%
New Brunswick	2,274,636,000	2.1%
Quebec	20,616,626,000	18.8%
Ontario	53,439,262,000	48.9%
Manitoba	1,611,300,000	1.5%
Saskatchewan	2,587,862,000	2.4%
Alberta	10,630,918,000	9.7%
British Columbia	15,702,485,000	14.4%
TOTAL	$109,388,610,000	100.0%

Source: Statistics Canada 65-003

Diagram 2 illustrates 1984 data on international exports per capita for the ten provinces. The data for all provinces provided in Diagram 2 averages $3,079 of international exports per capita. Ontario again led all provinces with $6,008, followed closely by British Columbia at $5,524 and Alberta at $4,527. Prince Edward Island, at $1,046, had the smallest value of international exports per capita, approximately one sixth the value of Ontario's per capita export activity and about one third that of the overall provincial average.

Diagram 2



Source: Statistics Canada 91-001 and 65,003.

3. International Exports By Commodity Type

Table 3 provides a comparison of Prince Edward Island's exports with those of Canada, divided into the six main categories. The comparison shows that the vast majority of Prince

Table 3

PERCENTAGE DISTRIBUTION BY MAJOR COMMODITY CATEGORY

OF PRINCE EDWARD ISLAND - CANADIAN EXPORTS

1969 TO 1984 AVERAGE

Commodity Group	P.E.I.	Canada
Total Live Animals	1.1%	0.4%
Total Food, Feed, Bev. & Tobacco	83.6%	11.0%
Crude Materials, Inedible	8.8%	19.3%
Fabricated Materials, Inedible	2.8%	34.7%
End Products, Inedible	3.5%	34.3%
Special Transactions, Trades	0.1%	0.3%
Grand Total	100.0%	100.0%

Edward Island's exports fall into the category "Food, Feed, Beverage and Tobacco". Nearly 70 per cent of Canadian exports are Fabricated or End Products, whereas almost 85 per cent of Prince Edward Island's exports are farm and fish products. The Food, Feed, Beverage and Tobacco category accounted for 11.0 per cent of Canada's exports. During the period 1969 to 1984 this same category regularly contributed over 80 per cent to total exports from Prince Edward Island (except in 1974 when it slipped to 67.9 per cent).

The Fabricated Materials and End Products categories contributed very little toward international exports from Prince Edward Island, measuring 2.8 and 3.5 per cent of the total respectively. The similar Canadian composition was more broadly distributed, with these two categories contributing 34.7 and 34.3 per cent respectively. This reflects the relative weakness of the manufacturing sector as a component to the Prince Edward Island economy. Table 4 provides statistics on the value of exports from Prince Edward Island, by major category for selected years 1969 to 1984.

Table 4

INTERNATIONAL EXPORTS FROM PRINCE EDWARD ISLAND

BY MAJOR CATEGORY

	69 Total	74 Total	79 Total	84 Total	1969-84 Average
Total Live Animals	$158,856	$429,257	$157,363	$889,170	$338,548
Total Food, Feed, Bev. & Tobacco	$10,457,560	$12,204,740	$42,505,370	$107,923,867	$39,958,623
Total Crude Materials, Inedible	$799,146	$4,481,785	$4,817,370	$4,762,184	$2,961,286
Total Fabricated Materials, Inedible	$799,146	$4,481,785	$4,817,370	$4,762,184	$2,961,286
Total End Products, Inedible	$117,902	$201,317	$3,507,885	$7,629,127	$2,042,148
Total Special Transactions, Trades	$10,873	$1,099	$79,206	$86,289	$39,434
Total Exports	$12,290,853	$17,964,790	$55,588,551	$127,911,763	$46,686,544

Table 5 provides a breakdown of the Food, Feed, Beverage and Tobacco group by major components for Prince Edward Island. The importance of farm and fish products can be clearly identified in this Table.

Table 5

FOOD, FEED, BEVERAGE & TOBACCO CATEGORY

BY MAIN EXPORT PRODUCTS, 1969-84

	69 Total	74 Total	79 Total	84 Total	1969-84 Average
Potato & Potato Prods.	3,551,402	5,522,309	16,158,638	52,253,594	18,253,083
Lobster & Lobster Prods.	1,517,865	1,429,601	5,001,085	16,841,625	5,651,466
Evap. Milk	2,219	0	4,063,251	10,755,468	3,838,461
Ocean Perch Fillets, Frozen	437,619	1,050,529	3,570,934	4,593,291	2,584,633
Cod Fillets, Atlantic, Frozen	431,190	274,633	2,181,362	2,128,554	1,273,588
Sole, Flounder Fillets, Frozen	374,711	348,138	1,371,348	1,044,207	789,170
Scallops and Scallop Prods.	136,900	30,229	944,710	1,083,868	643,180
Sea Fish, Fresh, Whole, Dressed	19,344	325,589	930,088	1,446,530	514,517
Hams, Not Cured or Cooked	524,198	183,8950	467,374	648,029	491,852
Cod Blocks and Slabs, Frozen	113,108	172,001	879,036	970,488	484,163
Pork, Fresh or Frozen	53,452	1,731	517,579	2,980,771	335,328
Sea Fish Fillets, Fresh	46,031	0	4,802	2,103,113	329,123
Other Exports	3,249,521	2,866,130	6,415,163	11,074,329	4,770,060
Total Food, Feed, Beverage & Tobacco Exports	10,457,560	12,204,740	42,505,370	107,923,867	39,958,623

The main product groups are 1) potatoes and potato products, 2) lobster and lobster products and 3) evaporated milk. These three product groups comprised, on average, 69.4 per cent of the total Food, Feed, Beverage and Tobacco category between 1969 and 1984, or 59.4 per cent of all exports from Prince Edward Island.

Table 6 shows the percentage contribution to total exports of these main product groups. The importance of these product groups increased from 40.4 per cent of all exports for the 1969-1975 period to 60.7 per cent for the 1976-84 period. This is attributable to the rapid growth of evaporated milk exports since 1977, and increased exports of potatoes and potato products, while the share of lobster and lobster products slipped slightly.

Table 6

THREE MAIN PRODUCT GROUPS AS A

PERCENTAGE OF TOTAL EXPORTS ($) - AVERAGED

	1969-1975	1976-1984
Lobster and Lobster Products	13.04%	11.70%
Milk, Evaporated	0.00%	8.46%
Potato and Potato Products	27.37%	40.54%
Total	40.41%	60.70%

Further details covering the export of potatoes and potato products are shown in Table 7. In 1969 there were export sales of 119.5 million pounds of potatoes and potato products, for a value of $3.6 million. By 1984 these shipments had increased to 298.6 million pounds for a value of $52.4 million. This represented the highest dollar value exported from Prince Edward Island although the largest volume exported was in 1982 when roughly 410 million pounds of potatoes and potato products were shipped off the Island to international markets.

Table 7

INTERNATIONAL EXPORTS OF P.E.I. POTATO PRODUCTS

WEIGHT AND VALUE

VOLUME (lbs)	1969	1974	1979	1984	1969-84 Average
Seed Potatoes	56,173,804	42,754,662	93,364,663	126,768,498	87,932,579
Fresh Potatoes	56,159,632	26,477,429	61,077,293	139,033,022	81,178,553
Frozen Pot. Prods.	6,918,540	4,346,092	23,718,263	32,382,540	9,959,314
Canned Potatoes	292,500	0	58,378	395,760	223,953
Pot. & Pot. Prods.	119,544,476	73,578,183	178,218,597	298,579,820	179,294,399
VALUE ($)					
Seed Potatoes	$ 1,613,372	$ 2,894,732	$ 6,968,919	$ 21,762,559	$ 8,309,896
Fresh Potatoes	$ 1,083,575	$ 1,900,341	$ 2,928,376	$ 19,206,208	$ 6,279,625
Frozen Pot. Prods	$ 854,455	$ 727,236	$ 6,261,343	$ 11,284,827	$ 4,781,965
Canned Potatoes	$ 32,900	$ 0	$ 11,940	$ 131,517	$ 44,089
Pot. & Pot. Prods.	$ 3,584,302	$ 5,522,309	$ 16,170,578	$ 52,385,111	$18,253,083
As a Percent of TOTAL EXPORTS ($)	29.2%	30.7%	29.1%	41.0%	39.1%

Table 7 indicates that potato and potato products contributed approximately 39.1 per cent of total exports over the 1969-84 period. Seed potatoes and fresh potatoes constitute the largest portion of total potato product exports, accounting, on average, for 80 per cent of its total value.

Fish and fish products rank second in terms of value of international exports. Table 8 illustrates the contribution of fish products to international exports. The average proportion of fish products to total international exports was 35.8 per cent over the 1969-84 period. During that period Prince Edward Island had exported an average of 13.6 million pounds of fish at a value of $16.7 million per year. One can see in Table 8 that the highest value of exports in 1984 were those in the processed fish category. The unit value of processed fish averaged $2.49 a pound over the period 1969-84, whereas fresh and frozen fish averaged just .77 cents a pound.

Table 8

INTERNATIONAL EXPORTS OF PRINCE EDWARD ISLAND FISH PRODUCTS

WEIGHT AND VALUE

	1969	1974	1979	1984	1969-84 Average
VOLUME (cwt)					
Fresh or Frozen	79,197	61,105	113,516	157,004	100,206
Processed	24,783	23,175	32,411	75,015	36,096
Fish Products	93,980	73,280	145,927	232,019	136,302
VALUE ($)					
Fresh or Frozen	$1,746,000	$2,897,344	$11,265,798	$14,974,054	$7,720,799
Processed	$3,391,572	$2,752,943	$7,625,852	$22,110,333	$8,970,175
Fish Products	$5,137,572	$5,650,287	$18,891,650	$37,084,387	$16,690,974
As a Percent of TOTAL EXPORTS ($)	41.8%	31.5%	34.0%	29.0%	35.8%

Lobster and lobster products have formed (on average) 33.9 per cent of the trade in fish for the period 1969-84. Other principal species exported included; ocean perch, cod, sole, scallops, and sea fish.

Evaporated milk exports from Prince Edward Island only emerged in 1977 as a major export product. The export of evaporated milk was made to Algeria through a Canadian International Development Agency contract. This contract accounts for virtually all of the evaporated milk exports from Prince Edward Island except for a few small shipments to various other countries. The value of evaporated milk exports accounted for 8.4 per cent of total exports from Prince Edward Island in 1984. At the time of this writing the contract for the shipment of evaporated milk to Algeria had expired. Table 9 provides a view of the annual value of milk exports from Prince Edward Island.

Table 9

INTERNATIONAL EXPORTS OF EVAPORATED MILK FROM P.E.I.

WEIGHT AND VOLUME

	1977	1978	1980	1982	1984
VOLUME (cwt)	35,808	126,512	337,326	332,130	307,803
VALUE ($)	$546,292	$3,022,386	$14,720,988	$15,304,465	$10,755,468
Evaporated Milk As A Percent Of TOTAL EXPORTS ($)	1.9%	7.9%	20.5%	14.9%	8.4%

Exports of manufactured "End Products, inedible", as noted in Table 3, form only 3.5 per cent of all Island exports. It consists of a wide variety of goods of modest value. In recent years one category has been dominant and that is opthalmic goods. Table 10 shows exports of end products between 1978 and 1984 during which time ophthalmic goods became a valuable export for Prince Edward Island, increasing from $93 thousand in 1978 to $3.5 million in 1984. The contribution of these goods increased from .3 per cent to 2.7 per cent of total exports for 1978 to 1984.

Table 10

OPHTHALMIC GOODS AS A PERCENT OF TOTAL EXPORTS FROM P.E.I.

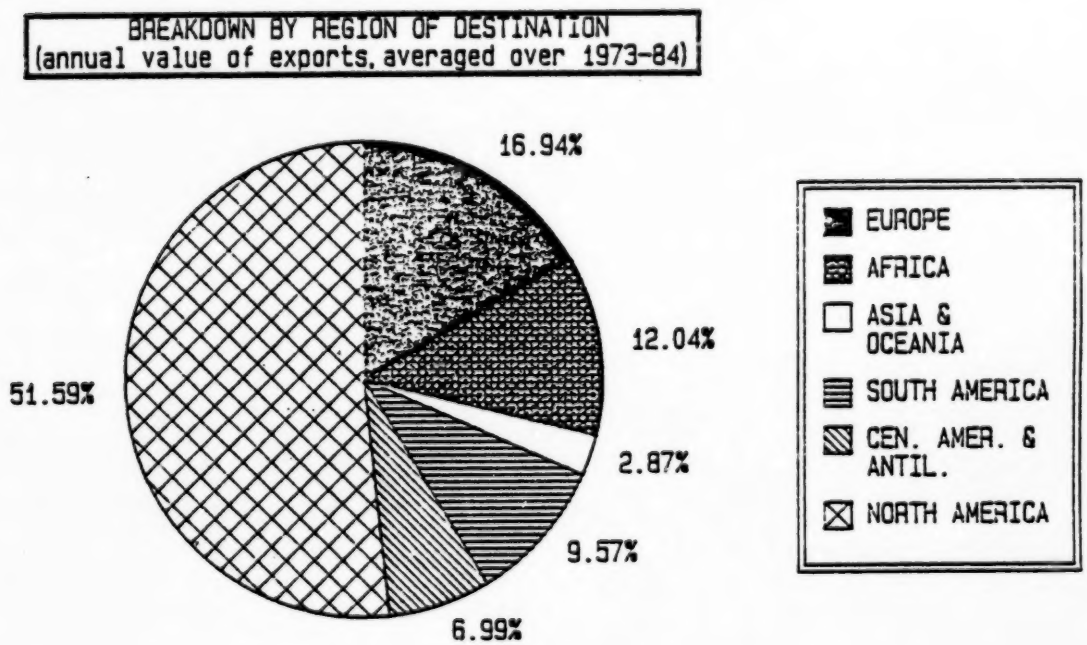
	1978	1979	1980	1981	1982	1984
Ophthalmic Goods	$ 92,736	$ 212,823	$ 406,064	$1,739,569	$1,853,858	$3,481,723
End Products	$3,770,893	$3,507,885	$1,726,776	$1,863,866	$3,888,690	$6,648,500
Ophthalmic Goods As a Percent of TOTAL EXPORTS	0.3%	0.4%	0.4%	1.7%	1.7%	2.7%

4. Countries of Destination

International export statistics for Prince Edward Island during the period of 1973 to 1984, reveal that the Island has exported products, at one time or another, to over eighty countries world wide.

Diagram 3 provides a breakdown of the world regions of destination for Prince Edward Island products. The data used to construct this diagram was averaged over the period 1973-1984.

Diagram 3



The largest recipient of Island products, accounting for 51.6 per cent of all exports, is North America which in this case consists of the United States, St. Pierre Miquelon and Greenland. The North American region is in turn dominated by the United States market which purchases 51.3 per cent of all Island exports.

Table 11 lists the top ten countries of destination for Prince Edward Island exports. These figures were also averaged over the 1973-1984 period. The importance of the U.S. market to Prince Edward Island exports can be clearly identified when one reviews these rankings.

Table 11

INTERNATIONAL EXPORTS FROM PRINCE EDWARD ISLAND

BY TOP TEN COUNTRIES OF DESTINATION

(1973-1984 Average).

		Average	Percent of Total Exports
1.	United States	$29,825,000	51.3%
2.	Algeria	6,487,000	11.2%
3.	Venezuela	3,456,000	5.9%
4.	Trinidad-Tobago	2,194,000	3.8%
5.	Denmark	1,561,000	2.7%
6.	France	1,453,000	2.5%
7.	Uruguay	1,403,000	2.4%
8.	Japan	1,319,000	2.3%
9.	Italy	1,229,000	2.1%
10.	United Kingdom	1,152,000	2.0%
Total Top Ten		$50,080,084	86.2%
TOTAL ALL EXPORTS		$58,166,417	100.0%

The top ten countries listed above purchase 86.2 per cent of all Island exports. To define the Prince Edward Island international market more succintly, the top four countries: United States, Algeria, Venezuela, Trinidad and Tobago, account for 72.2 per cent of international exports.

As was shown above, the United States is by far the largest importer of Prince Edward Island goods (over $73 million of products were shipped to the U.S. in 1984). Table 12 provides a view of the major products (those with an annual value of $250,000 and over) that Prince Edward Island shipped to the top four major countries of destination 1980 to 1984.

Table 12

TOP FOUR COUNTRIES OF DESTINATION BY MAIN EXPORT PRODUCTS

(Average annual product sales of $250,000 and over)

		Average Annual Export Sales (1980-84)
	United States	
1.	Potatoes, Fresh	$9,738,182
2.	Ocean Perch Fillets, Frozen	$4,394,762
3.	Lobster Meat Frozen/Incl. Boiled	$4,227,572
4.	Potato Products, Frozen	$4,177,856
5.	Lobster, Live	$3,227,547
6.	Potato Seed	$2,537,720
7.	Cod Fillets, Atlantic, Frozen	$2,376,969
8.	Lobster in Shell, Fresh Frozen	$1,650,893
9.	Ophthalmic Goods	$1,322,150
10.	Scallops, Frozen	$1,100,914
11.	Hams, Not Cured or Cooked	$1,077,953
12.	Sole, Flounder Fillets, Frozen	$935,796
13.	Sea Fish Fillets, Fresh	$918,670
14.	Cod Blocks and Slabs, Frozen	$731,456
15.	Clams, Fresh or Frozen	$674,421
16.	Pork, Fresh or Frozen	$638,563
17.	Fish Offal and Waste	$406,551
18.	Sea Fish, Fresh, Whole, Dressed	$331,199
19.	Turnips, Fresh	$297,627
20.	Soups, Soup Mixes and Bases	$262,551
21.	Sea Fish, Frozen, Whole Dressed	----------
		$41,329,980
	Algeria	
1.	Milk, Evaporated	$10,745,816
2.	Potatoes, Fresh	$1,192,827
3.	Potatoes, Seed	$854,437

		$12,793,080
	Venezuela	
1.	Potatoes, Seed	$6,124,656
	Trinidad-Tobago	
1.	Fresh Potatoes	$3,150,752
2.	Fresh Potato Prods.	$549,380
3.	Fresh Onions and Shallots	$322,439

		$4,022,571
	TOTAL	----------
		$64,270,287

The 28 major export products shown are valued at $64.3 million or 86.7 per cent of all exports to these four countries, and approximately 67.0 per cent of total exports for the period 1980-1984.

The above table clearly illustrates the importance of farm and fish product exports to the Prince Edward Island economy. It also reveals the absence of fabricated and end products as major export commodities, mainly due to the underdevelopment of the secondary industries sector on Prince Edward Island. Only the export of opthalmic goods shows up as an item of significance.

5. International Exports and the Economy

Exports exert a substantial influence on the overall economic performance of a region. The importance of international exports on the Prince Edward Island economy can be compared with other provinces by examining their contribution to the Gross Domestic Product (G.D.P.) of each province. Table 13 contains such data for the period 1974-1984.

Table 13

INTERNATIONAL EXPORTS AS PERCENT OF GDP

	Nfld.	N.S.	P.E.I.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Ten Prov. Average
1984	13.1	15.4	10.7	28.2	21.1	31.9	9.7	14.8	17.7	31.4	19.4
1982	17.0	17.1	9.9	25.1	20.7	25.7	9.7	11.8	17.8	27.9	18.3
1980	16.9	20.3	9.0	50.0	24.4	24.8	10.8	14.7	18.9	33.9	22.5
1978	16.9	18.6	5.7	25.8	18.5	25.0	7.6	10.8	16.0	32.7	17.8
1976	16.1	15.3	7.2	24.4	16.1	19.8	7.3	10.7	10.4	29.5	16.7
1974	25.7	16.0	4.4	27.6	17.8	19.8	8.3	13.2	26.0	32.5	19.1
% Pts.Chg. 1974-1984	-12.6	-0.6	6.3	0.5	3.3	12.1	1.4	1.7	-8.3	-1.1	0.3

The 1984 data from Table 13 shows that Prince Edward Island (at 10.7%), has the second lowest ratio of international exports to G.D.P., only marginally above Manitoba (at 9.7%). Ontario has the highest percentage of international exports to G.D.P. at 31.9 per cent followed closely by British Columbia - 31.4 per cent, New Brunswick - 28.2 per cent and Quebec at 21.1 per cent.

The data reveals that Prince Edward Island has had a relatively weak ratio of international exports to G.D.P. over the ten year period (1974-84), but it has increased its contribution

from 4.4 per cent to 10.7 per cent. This growth is attributable to the surge of exports during the late seventies and early eighties. Specifically, the increased export of potato and potato products, lobster and lobster products, and the new market for evaporated milk boosted the importance of international exports in the Island economy.

International exports from Prince Edward Island are with some exception mainly restricted to the export of agricultural and fish products. This reliance upon a few main products for the bulk of exports leaves the Island exposed to changes in market conditions for any one of its major commodities, although the fairly low contribution of exports to G.D.P. offsets the potential economic impact to a degree. Export led growth suggests that more products need to be introduced to foreign markets in order to broaden Prince Edward Island's export base.

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E R R A T A

INTERNATIONAL EXPORTS FROM PRINCE EDWARD ISLAND

August, 1986

An error in Table 4 on page 6 of the Economic Trends "International Exports from Prince Edward Island" has recently been identified. We wish to bring this error to your attention and hope it has not caused any inconvenience.

Terry Hogan

Terry Hogan

ECONOMIC TRENDS PAPER NO. 30

INTERNATIONAL EXPORTS FROM PRINCE EDWARD ISLAND

August, 1986

E R R A T A

An error has been identified in Table 4 on page 6; "International Exports from Prince Edward Island by Major Category". Please replace that table with the following revised figures.

	69 Total	74 Total	79 Total	84 Total	1969-84 Average
Total Live Animals	$ 158,856	$ 429,257	$ 157,363	$ 889,170	$ 338,548
Total Food, Feed, Bev. & Tobacco	10,457,560	12,204,740	42,505,370	107,923,867	39,958,623
Total Crude Materials, Inedible	799,146	4,481,785	4,817,370	4,762,184	2,961,286
Total Fabricated Materials, Inedible	746,516	646,592	4,521,357	6,521,126	1,346,485
Total End Products, Inedible	117,902	201,317	3,507,885	7,629,127	2,042,148
Total Special Transactions, Trades	10,873	1,099	79,206	86,289	39,454
Total Exports	$12,290,853	$17,964,790	$55,588,551	$127,811,763	$46,686,544